

Robotic Process Automation (RPA) – Part 2

By João on October 3, 2016 at 8:00 pm

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Our last post introduced the emergent technology of Robotic Process Automation (RPA) – software programmed to execute repetitive, relatively low value added tasks, currently still requiring human intervention across business applications.

Consulting firms are promoting the adoption of RPA in the financial area, including accounting. Clearly, some roles of accountants are more affected than others by this new wave of technology – in a similar way to what happened when ERPs integrated the information systems within organizations.

Book keeping roles are likely to be strongly affected by RPA. “General accounting (allocations and adjustments, journal entry processing, reconciliations, intercompany

transactions and close) [and] Financial and external reporting” are book keeping areas where RPA has already started being deployed, according to consulting firm Ernst & Young. RPA has also been applied to treasury, affecting accounting staff involved in the banking area, in particular dealing with cash management. Operational accounting, related with billings and collections and accounts receivable, is an administrating field of accounting mentioned by Ernst & Young as an area suitable for effective RPA deployment (see this [video from Deloitte](#)); the same happens with Planning, budgeting and forecasting, hence affecting typical Controlling activities. However, we can anticipate far less direct impacts in accountants with a greater consulting role, since their activities are less transactional, repetitive and rule-based, and are more based on ad hoc exploration of alternatives to better support management.

At the same time, RPA creates new value-added areas such as software configuration and maintenance, dealing with exceptions, focusing on processes requiring subjective assessment, and making advanced analyses, interpretation and decisions.

Consequently, RPA may further reduce accountants performing repetitive, high-volume, rule-based and low value added tasks across the book keeping, banking, administrating and controlling areas, but less so in the consulting areas of accounting. At the same time, it opens possibilities to provide high value added contributions in areas where automation is less applicable, or not applicable at all. It's true that RPA is very recent technology, and often some new technologies fail to gain acceptance in the market and among organizations. I witnessed some scepticism, in a recent event where RPA was presented, about the idea of introducing an additional layer of automation to the one already implemented through, for example, ERPs. Although this criticism slightly misses the point, since RPA intends only to fill in gaps between applications that haven't yet been included within the integrative scope of ERPs, the fact is that RPA has significant challenges. Only in a few years time we will be able to assess the real impact of RPA in accounting and its professionals, but an increasing focus on contributing with high value-added insights to the business is the most suitable way to remain as, and indeed become, a key member within organizations.

[This post anticipates some ideas of a forthcoming chapter by the author on accounting information systems and accountants' roles, to be published in 2017].

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